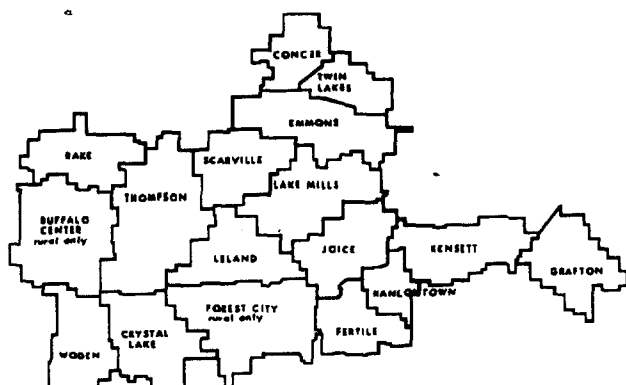


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DOCKET FILE COPY ORIGINAL  
Winnebago Cooperative Telephone Association

704 East Main  
Lake Mills, Iowa 50450

KENNETH LEIN, Manager

Phone (515) 592-6105

July 20, 1994

EX PARTE OR LATE FILED

RECEIVED

The Honorable Neal Smith  
U.S. House of Representatives  
2373 RHOB  
Washington, DC 20515

DEC - 7 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Representative Smith:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of DBS satellite television programming, equal access to cable and broadcast programming at fair rates -- something which we are not currently receiving -- is essential for Winnebago Satellite Services, Inc., a subsidiary of Winnebago Cooperative Telephone Association, to be competitive in our local marketplace.

The attached letter to FCC Chairman Reed Hundt from myself spells out my concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers -- like Time Warner and Viacom -- have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

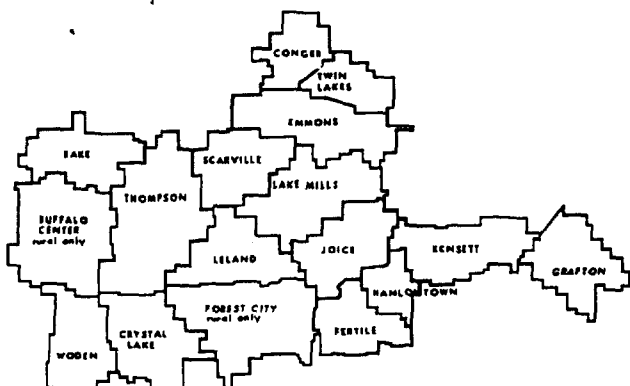
I would greatly appreciate your assistance on behalf of rural consumers in the Iowa counties of Winnebago, Worth, Cerro Gordo, Hancock and Mitchell in encouraging the FCC to correct this inequity.

Very truly yours,

*Kenneth Lein*  
Kenneth Lein  
Manager

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Enclosure



## Winnebago Cooperative Telephone Association

704 East Main  
Lake Mills, Iowa 50450

KENNETH LEIN, Manager

Phone (515) 592-6105

July 20, 1994

The Honorable Reed Hundt  
Chairman  
Federal Communications Commission  
1919 M Street NW, Rm 814  
Washington, DC 20554

RE: Cable Competition Report  
CS Docket NO. 94-48

Dear Chairman Hundt:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

Winnebago Satellite Services, Inc., a subsidiary of Winnebago Cooperative Telephone Association, is a rural telephone member of NRTC and distributor of DIRECTV™ direct broadcast satellite (DBS) television service. My company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon and others, is available only to my principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DIRECTV™ are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

Mr. Hundt, my organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. I believe that the Act prohibits any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstance, if one of my DIRECTV subscribers also wishes to receive Time Warner/Viacom product that subscriber must

The Honorable Reed Hundt  
Page 2  
July 19, 1994

purchase a second subscription to the USSB service. This hinders effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level.

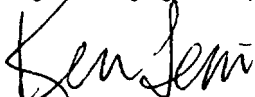
Not having access to the Time Warner/Viacom services has also adversely affected my ability to compete against other sources for television in my area. Our customers do not understand why they can't purchase HBO and Showtime from us.

We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. That is why we support the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Very truly yours,



Kenneth Lein  
Manager

cc: The Honorable Representative Fred Grandy  
The Honorable Representative Jim Leach  
The Honorable Representative Jim Lightfoot  
The Honorable Representative Jim Nussle  
✓ The Honorable Representative Neal Smith  
The Honorable Senator Charles Grassley  
The Honorable Senator Tom Harkin  
William F. Caton, Secretary  
The Hon. James H. Quello  
The Hon. Andrew C. Barrett  
The Hon. Susan Ness  
The Hon. Rachelle B. Chong

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

NOV 21 1994

IN REPLY REFER TO:  
CN-9405188

The Honorable Neal Smith  
U.S. House of Representatives  
2373 Rayburn House Office Building  
Washington, D.C. 20515-1504

Dear Congressman Smith:


Thank you for your letter on behalf of your constituent, Mr. Kenneth Lein, Manager of the Winnebago Cooperative Telephone Association, concerning the implementation and enforcement of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992 by the Federal Communications Commission. I appreciate the opportunity to respond.

Mr. Lein expresses his support for Comments filed by the National Rural Telecommunications Cooperative (NRTC) with respect to the legality under the program access provisions of the 1992 Cable Act of exclusive contracts between vertically integrated cable programmers and direct broadcast satellite providers in areas unserved by cable operators. In a petition for reconsideration of the Commission's program access rulemaking, NRTC has asked the Commission to determine that such exclusive contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking currently is pending. Consequently, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by the NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasonable decision on reconsideration.

I trust that this response will prove both informative and helpful.

Sincerely,

  
Meredith J. Jones  
Chief, Cable Services Bureau

Enclosure